

INFORMATION LETTER

Not for
Publication

NATIONAL CANNERS ASSOCIATION

For Members
Only

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Canners Reminded of Need For Cost Accounting

The Defense Production Bills contain authority for establishing price controls. Each of these bills carries certain restrictions in the price control authority as well as specific requirements for establishing price controls. It is not possible at this time to predict how many of these provisions will be incorporated in the law as finally enacted, nor is it possible to foretell the policies of any price control agency that might be established.

Canners who remember their experiences under the various price control regulations of the recent war will appreciate the necessity for having adequate and reliable cost accounting information as well as other reliable facts pertaining to prices and sales. In the absence of definite information with respect to what data would be needed in the event of price control, canners have only the late OPA's policies and programs to guide them. For those who care to refresh their memories of what happened on price control in World War II, it is suggested that in addition to their own personal experiences with OPA they review some of the Maximum Price Regulations as published in the INFORMATION LETTER. The following list of references may be helpful in that connection:

Temporary MPR 6, issued February 28, 1942—INFORMATION LETTER, page 6879;

MPR 152 issued May 23, 1942—INFORMATION LETTER, page 7019.

The above regulations represent the first steps that were taken to control canned foods prices under OPA in World War II. Subsequent regulations, issued as the war progressed, modified these original orders. The progress of these changes reflected the efforts on the part of OPA to adjust control measures to the changing conditions within the industry. They also represented changes in govern-

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Price Control Authority Approved

Congress this week continued to consider the President's request for a "Defense Production Bill." As before, little controversy was evident over the President's request for allocation and requisition powers, but considerable debate continued over the Congressional effort to add price and wage controls.

This was culminated in the vote of the House late on August 10 approving a measure providing authority for stand-by price and wage controls. The measure passed by the House was substantially the same as that recommended by the Senate Committee on Banking and Currency on August 7.

On page 248 is a summary of the legislation substantially as it was passed by the House. Generally, this summary applies to the bill still under consideration in the Senate.

Policies for Occupational Deferment of Reservists

Policies for occupational deferment of members of civilian components, including the Reserves and National Guard, in the mobilization of the nation's armed forces were announced August 3 by the Secretary of Defense.

The basic criteria for deferment of reservists in civilian occupations are the Department of Labor "List of Critical Occupations" and the Department of Commerce "List of Essential Activities." Fundamentally, the reservist deferred must be engaged in a critical occupation necessary to a highly essential activity and he will be deferred only until he can be satisfactorily replaced in that occupation.

For the information and guidance of canners, there are reproduced on page 250 pertinent portions of the Department of Defense policy on deferments of reservists possessing critical occupational skills, and portions of the Labor Department and Commerce Department lists as they apply to the canning industry.

On Other Pages

Statements on child labor and "hot goods" have been issued by the Labor Department. Page 251.

BAE production indications on snap beans, corn, and tomatoes. Page 249.

QMC Issues Revised Estimate Of 1950-Pack Requirements

Revised estimates of requirements for certain canned fruits and vegetables to be procured by the Army Quartermaster Corps from the 1950 pack have been furnished the N.C.A. by the Chicago Quartermaster Purchasing Office.

These requirements are for the Army, Navy, Air Force, and Marine Corps, and supersede the estimated requirements announced in April of this year. In some cases, the quantities in the revised estimates include quantities already purchased.

The revised estimates of requirements, by pounds, are:

Canned apples	2,500,000
Canned applesauce	2,125,000
Canned lima beans	3,375,000
Canned snap beans	32,000,000
Canned beets	6,500,000
Canned carrots	400,000
Canned corn	42,500,000
Canned peas	36,500,000
Canned sweetpotatoes	15,500,000
Canned pumpkin	4,230,000
Canned sauerkraut	4,700,000
Canned spinach	3,200,000
Canned tomatoes	45,000,000
Canned tomato juice	25,000,000
Tomato catsup	25,000,000

Purchase of these and other canned foods will be made by the Chicago and Oakland Quartermaster Purchasing Offices through the advertised bid method of buying, whenever possible.

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CONGRESS

Summary of House-Passed 'Defense Production Bill'

Following is a brief summary of the defense production and control legislation approved by the House late this week:

Priorities and Allocations

The President would be authorized to order acceptance and performance of contracts, and to allocate materials and facilities as necessary to promote the national defense.

Hoarding would be prohibited. The prohibition would apply to materials designated by the President as scarce materials or materials the supply of which would be threatened by hoarding.

Price and Wage Stabilization

The President would be authorized to establish price and wage ceilings, but he would be required first to limit such price controls to sales other than retail. "Where the objectives of this title cannot be attained by action" under these provisions, the President would be authorized to establish price ceilings on retail sales. The House bill also states:

Sec. 202(b)(2) . . . "Wages, salaries, and other compensation shall be stabilized generally whenever ceilings on prices, including retail sales prices, have been established on materials and services comprising a substantial part of all sales at retail and materially affecting the cost of living."

Sec. 202(c) "So far as practicable . . . the President shall ascertain and give due consideration to comparable prices, rentals, commissions, margins, rates, fees, charges, and allowances, and to comparable salaries, wages, or other compensation, which he finds to be representative of those prevailing during the period from May 24, 1950, to June 24, 1950, inclusive, or, in case none prevailed during this period or if those prevailing during this period were not generally representative because of abnormal or seasonal market conditions or other cause, then those prevailing on the nearest date on which, in the judgment of the President, they are generally representative. The President shall also give due consideration to the national effort to achieve maximum production in furtherance of the objectives of this Act. From time to time the President shall adjust ceilings, and in determining and adjusting ceilings on prices with respect to materials and services, he shall give due consideration to such relevant factors as he may determine to be of general applicability in respect of such material or service, including the following: Speculative fluctuations, general increases or decreases in cost of production, distribution, and transportation, and gen-

eral increases or decreases in profits earned by sellers of the material or by persons performing the service, subsequent to June 24, 1950: *Provided*, That no regulation or order shall contain any provision requiring the determination of costs, otherwise than in accordance with established accounting methods. In stabilizing and adjusting wages, salaries, or other compensation, the President shall give due consideration to such relevant factors as he may determine to be of general applicability in respect of such wages, salaries, or other compensation. Any regulation or order under this title shall be such as in the judgment of the President will be generally fair and equitable and will effectuate the purposes of this title, and shall be accompanied by a statement of considerations involved in the issuance of such regulation or order."

Sec. 202(d)(3) "No ceiling shall be established or maintained for any agricultural commodity below the higher of the following prices: (i) the parity price for such commodity, as determined by the Secretary of Agriculture in accordance with the Agricultural Adjustment Act of 1938, as amended, and adjusted by the Secretary of Agriculture for grade, location, and seasonal differentials, or (ii) the highest price received by producers during the period from May 24, 1950, to June 24, 1950, as determined by the Secretary of Agriculture and adjusted by the Secretary of Agriculture for grade, location, and seasonal differentials, or (iii) if for the year 1950 a producer normally does not market a commodity during the period from May 24, 1950, to June 24, 1950, the highest price received by such producer during the first thirty-day period following May 24, 1950, in which such commodity is normally marketed; and no ceilings shall be established or maintained hereunder for any commodity processed or manufactured in whole or substantial part from any agricultural commodity below a price which will reflect to producers of such agricultural commodity a price for such agricultural commodity equal to the higher price therefor specified in this subsection: *Provided*, That in establishing and maintaining ceilings on products resulting from the processing of agricultural commodities, including livestock, a generally fair and equitable margin shall be allowed for such processing. Whenever a ceiling has been established under this title with respect to any agricultural commodity, or any commodity processed or manufactured in whole or in substantial part therefrom, the President from time to time shall adjust such ceiling in order to

make appropriate allowances for substantial reduction in merchantable crop yields, unusual increases in cost of production, and other factors which result from hazards occurring in connection with the production and marketing of such agricultural commodity. Nothing contained in this Act shall be construed to modify, repeal, supersede, or affect the provisions of the Agricultural Marketing Agreement Act of 1937, as amended, or to invalidate any marketing agreement, license, or order, or any provision thereof or amendment thereto, heretofore or hereafter made or issued under the provisions of such Act. . . ."

Both the Senate and House bills would require creation of "a new independent agency" for administration of price and wage controls.

In the administration of price and wage controls, industry committees would be utilized.

Authority to Requisition

The President would be authorized to requisition materials or facilities necessary for the national defense, when such need is immediate and other means of obtaining such property have been exhausted.

Expansion of Productive Capacity and Supply

In order to expedite production and deliveries under government contracts, government departments would be authorized to guarantee financing or to make loans.

Settlement of Labor Disputes

The President would be authorized to establish principles and procedures and to create a board for settlement of labor disputes. Due regard would be given to terms and conditions of employment established by collective bargaining. No action inconsistent with the Fair Labor Standards Act or the Labor Management Relations Act would be authorized.

Control of Consumer and Real Estate Credit

The Federal Reserve Board would be authorized to impose controls on consumer credit and on real estate construction credit.

General Provisions

Among the several provisions of Title VII are:

(1) Authorization to create new agencies of the government, other than corporate agencies.

(2) "Small-business advisory committees shall be appointed as shall be appropriate for purposes of consultation in the formulation of rules, regulations or orders, or amendments thereto, issued under authority of this Act, and in their formation consideration shall be given to providing fair representation for small, medium, and large business enterprises, for different geographical areas, for trade association members and nonmembers,

and for different segments of the industry."

(3) "The President may make such rules, regulations, and orders as he deems necessary or appropriate to carry out the provisions of this Act. Any regulation or order under this Act may contain such classifications and differentiations and may provide for such adjustments and reasonable exceptions as in the judgment of the President are necessary or proper in order to effectuate the purposes of this Act."

(4) In order that protection can be given to those entering into voluntary allocation agreements and programs, thereby avoiding the need for mandatory controls, provision is made—under certain conditions—for exemption from the antitrust law and the Federal Trade Commission Act.

(5) "This Act and all authority conferred hereunder shall terminate June 30, 1951, or at such earlier time as the Congress by concurrent resolution or the President may designate."

STATISTICS

Snap Beans for Processing

The 1950 production of snap beans for canning and freezing on August 1 was expected to total 222,000 tons, according to the Bureau of Agricultural Economics. This is about 7 percent less than the 1949 production.

The August 1 indicated yield is 2.0 tons per acre.

State	1949 Indicated (tons)	1949 Revised (tons)	1950 Indicated (tons)
Maine.....	7,900	7,200	5,400
New York.....	39,800	45,400	38,400
New Jersey.....	2,800	2,400	4,800
Pennsylvania.....	6,600	5,300	8,200
Indiana.....	100	100	100
Michigan.....	9,200	10,200	8,000
Wisconsin.....	20,100	20,600	17,100
Missouri.....	1,300	1,200	1,000
Delaware.....	1,400	800	2,000
Maryland.....	9,800	9,500	11,700
Virginia.....	2,600	3,400	4,800
North Carolina.....	2,100	1,800	2,200
South Carolina.....	600	600	600
Georgia.....	600	300	500
Florida.....	11,200	9,600	15,400
Tennessee.....	4,100	7,500	6,700
Mississippi.....	2,600	2,200	2,300
Arkansas.....	10,400	9,400	7,000
Louisiana.....	1,500	1,000	1,500
Oklahoma.....	2,500	3,400	3,400
Texas.....	8,400	8,400	7,200
Colorado.....	4,000	6,000	4,000
Utah.....	1,300	1,900	2,300
Washington.....	15,400	8,600	9,700
Oregon.....	42,200	54,100	41,600
California.....	10,400	13,900	11,400
Other states ¹	2,420	3,400	4,800
U. S. Total.....	221,220	238,200	222,000

¹ Ala., Ida., Ill., Iowa, Ky., Mass., Minn., Mont., Nebr., N. M., Ohio, Vt., and Wyo.

1950 Sweet Corn Acreage for Canning

Sweet corn planted for canning in 1950 totaled 313,790 acres, about 28 percent below the 1949 planted acreage of 431,638 acres, according to the Association's Division of Statistics. The figures include the acreage of sweet corn planted for canning and do

not include acreage planted for freezing, brining, or other forms of processing.

The following table shows the 1950 acreage of sweet corn planted for canning, by states and by varieties:

1950 Sweet Corn Acreage for Canning

States	Country Gentlemen (acres)	Narrow Grain (acres)	Other Types White (acres)	Golden Bantam (acres)	Total (acres)
Me., Vt., and N. H.....	.....	.....	.....	7,406	7,406
New York.....	.....	.....	.....	15,078	15,078
Maryland and Delaware.....	3,506	55	868	20,121	24,550
Pennsylvania.....	775	415	625	8,741	10,556
Other Eastern states ¹.....	.....	.....	.....	175	175
Ohio.....	1,050	500	.....	6,784	8,334
Indiana.....	6,681	.....	3,910	11,080	21,671
Illinois.....	20,528	345	450	33,024	54,347
Wisconsin.....	.....	530	1,551	66,605	68,686
Minnesota.....	387	.....	.....	58,804	59,191
Iowa and Nebraska.....	.....	1,515	675	14,676	16,866
Other Midwest states ²	1,121	850	700	2,077	4,748
Western states ³.....	.....	.....	.....	22,182	22,182
U. S. Total.....	34,048	4,210	8,770	266,753	313,790

¹ Other Eastern states: Va. and W. Va. ² Other Midwest states: Ark., Kans., La., Mich., Okla., Tenn., and Tex. ³ Western states: Colo., Idaho, Mont., Ore., Utah, Wash., and Wyo.

Sweet Corn for Processing

Production of sweet corn for processing is estimated at 969,100 tons for 1950, on the basis of August 1 conditions, it is reported by the Bureau of Agricultural Economics. This is about 31 percent less than the 1949 production.

The 1950 preliminary estimate of acreage for harvest is 349,000 acres. A yield of 2.78 tons per acre is indicated for 1950.

State	1949 Indicated (tons)	1949 Revised (tons)	1950 Indicated (tons)
Maine.....	39,600	33,300	19,200
New Hampshire.....	1,600	1,200	1,100
Vermont.....	3,400	2,800	1,600
New York.....	70,800	83,200	60,000
Pennsylvania.....	25,800	33,000	22,900
Ohio.....	43,800	42,500	25,200
Indiana.....	70,000	57,400	53,300
Illinois.....	200,100	220,400	151,200
Michigan.....	2,900	3,400	1,800
Wisconsin.....	244,000	329,300	182,000
Minnesota.....	208,000	252,000	177,300
Iowa.....	69,600	73,800	48,000
Nebraska.....	6,200	7,500	1,800
Delaware.....	8,600	9,700	10,500
Maryland.....	77,000	90,500	68,400
Virginia.....	700	1,900	1,100
Idaho.....	27,400	38,800	25,000
Utah.....	24,700	25,200	18,400
Washington.....	36,900	34,300	38,800
Oregon.....	33,600	48,300	37,300
Other states ¹	26,900	36,300	24,200
U. S. Total.....	1,321,600	1,404,800	969,100

¹ Ark., Colo., Mont., N. J., Okla., S. D., Tenn., Tex., and Wyo.

Tomatoes for Processing

The 1950 production of tomatoes for processing on August 1 was estimated at 2,608,900 tons by the Bureau of Agricultural Economics.

The preliminary estimate of acreage for harvest in 1950 is 370,100 acres. The August 1 indicated yield is 7.05 tons.

State	1949 Indicated (tons)	1949 Revised (tons)	1950 Indicated (tons)
New York.....	157,000	163,000	188,600
New Jersey.....	158,700	158,700	175,000
Pennsylvania.....	143,500	149,500	152,000
Ohio.....	156,200	171,800	173,200
Indiana.....	406,000	249,900	344,500
Illinois.....	51,600	56,400	70,600
Michigan.....	56,200	56,100	57,100
Wisconsin.....	7,700	13,600	11,700
Iowa.....	8,600	5,200	5,900
Missouri.....	24,000	22,700	20,200
Delaware.....	38,000	45,000	56,400
Maryland.....	140,000	163,300	156,300
Virginia.....	54,800	51,800	64,600
S. Carolina.....	4,500	4,500	5,000
Florida.....	15,400	13,600	9,600
Kentucky.....	7,400	6,700	6,000
Tennessee.....	7,900	8,400	6,000
Arkansas.....	22,500	22,700	18,200
Oklahoma.....	3,400	4,100	2,300
Texas.....	42,900	42,900	36,800
Colorado.....	24,100	19,700	23,800
Utah.....	75,900	83,200	72,000
California.....	814,000	1,003,400	936,000
Other states ¹	15,300	12,700	17,700
U. S. Total.....	2,433,700	2,530,900	2,608,900

¹ Ala., Ariz., Conn., Ga., Ida., Kans., La., Minn., Miss., Nebr., N. M., N. C., Ore., Wash., and W. Va.

MANPOWER

Policies for Occupational Deferment of Reservists

Following are the "Criteria for Delay in Call to Active Duty" as contained in the Department of Defense deferment policy for reservists:

1. *Members of the Civilian Components employed or engaged in critical civilian occupations or essential activities and who are needed for immediate utilization by the military services.* Such members will be considered for delay in call to active duty only if the following criteria are met:

(1) The member is principally engaged or employed in a civilian occupation appearing on the Department of Labor List of Critical Occupations; and in a highly essential activity necessary to the national health, safety, or interest as defined in the Department of Commerce List of Essential Activities; or

(2) The member is otherwise engaged or employed in a key position in a highly essential activity necessary to the national health, safety, or interest as defined in the Department of Commerce List of Essential Activities.

(3) It is established after careful consideration of the member's or his employer's written request that the member in fact complies with the criteria of 1 or 2 above, and that there are unique circumstances surrounding the member's employment or work which give him essential knowledge or experience not possessed by any available replacement possessing the same skill.

2. *Members of the Civilian Components Occupying Critical Key Managerial Jobs.*

The following applies only in the case of a member occupying a critical key managerial position not otherwise accounted for in the Department of Labor List of Critical Occupations.

Such member may be authorized delay in call to active duty by the military department concerned only if all the following criteria are met:

(a) The member's call to active duty would cause material loss in production, services or research necessary to the national health, safety or interest.

(b) Written representation is submitted giving specific justification for delay in call to active duty.

(c) The urgency of the civilian work outweighs the need of the armed forces for his services.

(d) Request for delay in call to active duty of men under 26 years of age will be considered only in exceptional cases.

Following are certain occupations named by the Department of Labor in its "List of Critical Occupations":

Professional and Related Occupations

Agronomist
Bacteriologist
Biologist
Botanist
Chemist, analytical
Chemist, biological
Chemist, organic
Chemist, physical
Chemist, inorganic
Engineer, sanitary
Entomologist
Physicist
Plant pathologist

Skilled Occupations

Foreman (critical occupations only)
Machinist—includes machinist, bench machinist, instrument maker, laboratory mechanic, lay-out man, marine machinist, job setter
Maintenance, mechanic

(Definitions of these occupations also are contained in the Department of Labor "List of Critical Occupations." This, together with the Department of Defense policy statement and the Department of Commerce "List of Essential Activities," may be obtained from the Personnel Policy Board, Department of Defense, Washington 25, D. C.)

Following are the "criteria" and certain manufacturing and non-manufacturing industries named by the Department of Commerce in its "List of Essential Activities":

Criteria

1. Activities directly engaged in the production of war materials.

2. Activities necessary for the maintenance of the production of war materials included in 1 above.

3. Activities essential for the maintenance of national safety, health, and interest.

In general, essential activities are identified by broad categories. The group and industry numbers shown refer to the code numbers in the Standard Industrial Classification Manual of the Executive Office of the President, Bureau of the Budget. That manual may be referred to for a detailed list of the industries included under each group.

Manufacturing Industries

Major Group 20, Food and Kindred Products — Includes establishments manufacturing foods and beverages for human consumption, and certain related products such as manufactured ice, chewing gum, and prepared feeds for animals and fowls.

Non-Manufacturing

Major Group 01, Farms, excluding horticultural specialties (0114) and noncommercial farms (0121) — Includes commercial farms.

Major Group 07, Agricultural Services and Hunting and Trapping, excluding horticultural services (0731) and hunting and trapping, and game propagation (0741)—Includes establishments primarily engaged in performing agricultural animal husbandry, and horticultural services on a fee or contract basis.

Major Group 09, Fisheries—Includes establishments primarily engaged in commercial fishing; the operation of oyster farms and the tonging and dredging of oysters; the gathering of sponges, seaweed, etc.; and the operation of fish hatcheries or fishing preserves.

MOBILIZATION

NSRB Advisory Committee

Membership of the committee on mobilization policy was announced August 9 by Chairman Stuart Symington of the National Security Resources Board.

The committee will "advise the Chairman on all phases of civil mobilization and defense," an announcement said. The members are:

Industry—Marion B. Folsom, chairman of the board of the Committee for Economic Development and treasurer of the Eastman Kodak Co.; Otto A. Seyferth, president of the U. S. Chamber of Commerce and president and director of the West Michigan Steel Foundry Co., and Austin Trailer Equipment Co., Muskegon, Mich.; Claude Adams Putnam, Keene, N. H., president of the National Association of Manufacturers and president of the Markem Machine Co.

Labor—William Green, president of the AFL; Albert J. Hayes, president of the International Association of Machinists; Philip Murray, president of the CIO.

Agriculture—Albert S. Goss, master of the National Grange; Murray D. Lincoln, Columbus, Ohio, for years a member of the board of directors of the American Farm Bureau Federation and now president of the Farm Bureau Mutual Automobile Insurance Co.; James G. Patton, president of the National Farmers' Educational and Co-operative Union.

Public—Senator Frank P. Graham (N. C.); George H. Mead, Dayton, Ohio, former member of the War Labor Board, past president of the American Pulp and Paper Association and a member of the Hoover Commission on Reorganization of the Executive Branch of the Government; Mrs. Anna M. Rosenberg, New York, labor relations authority, member of the United States National Commission for the United Nations Educational and Scientific Council.

LABOR

Wage-Hour Statements

The U. S. Department of Labor has issued an interpretative bulletin on application of the strengthened child labor provisions of the Fair Labor Standards Act and a statement outlining how innocent commercial purchasers of goods in interstate commerce may protect themselves from penalties for unwitting violations of the "hot goods" provisions of the same law.

The interpretative bulletin on the child labor provisions is available throughout the United States from the Labor Department's Wage and Hour Public Contracts Divisions. The bulletin was published in the *Federal Register* of August 8.

The statement on "hot goods" was published in the *Federal Register* of August 5.

PROCUREMENT

USDA Purchase of RSP Cherries

Purchase of 434,400 cases of canned red sour pitted cherries for use in the National School Lunch Program was announced August 9 by the U. S. Department of Agriculture.

Purchases were made from eight processors in Michigan, New York, and Pennsylvania. Average purchase price, without discounts, was \$4.13 a case for both can sizes. The purchase included 329,500 cases of 24/2's and 104,900 cases of 6/10's, for delivery during the period September 5 to October 15.

Invitations for Bids

★ Quartermaster Purchasing Office—1819 West Pershing Road, Chicago 9, Ill.; Oakland Army Base, Oakland 14, Calif.

Veterans Administration—Procurement Division, Veterans Administration, Wash. 25, D. C.
Purchase Division, Federal Supply Service, General Services Administration, 7th and D Streets, S. W., Washington 25, D. C.

The Walsh-Healey Public Contracts Act will apply to all operations performed after the date of notice of award if the total value of a contract is \$10,000 or over.

The QMC has invited sealed bids to furnish the following:

HAM CHUNKS—1,329,590 pounds of ham chunks in 30-oz. cans. Bids due in Chicago under Bid No. QM-11-009-51-253 by Aug. 14.

JAMS—735,000 4-oz. cans of fruit preserves. Bids due in Chicago under Bid No. QM-11-009-51-226 by Aug. 15.

POTATOES—30,750 dozen No. 2 3/4 cans of white potatoes, and 12,250 dozen No. 2 3/4 cans

of sweet potatoes. Bids due in Chicago under Bid No. QM-11-009-51-231 by Aug. 15.

BACON—720,432 pounds of sliced bacon in 24-oz. cans. Bids due in Chicago under Bid No. QM-11-009-51-254 by Aug. 16.

CHILI CON CARNE—536,458 pounds of chili con carne without beans in No. 10 cans. Bids due in Chicago under Bid No. QM-11-009-51-255 by Aug. 16.

PORK SAUSAGE—514,080 pounds of pork link sausage in 28-oz. cans. Bids due in Chicago under Bid No. QM-11-009-51-257 by Aug. 16.

CATSUP—294,000 4-oz. cans. Bids due in Chicago under Bid No. QM-11-009-51-233 by Aug. 17.

BONED CHICKEN—106,155 pounds in 30-oz. cans. Bids due in Chicago under Bid No. QM-11-009-51-365 by Aug. 17.

VIENNA SAUSAGE—702,900 pounds in 24-oz. cans. Bids due in Chicago under Bid No. QM-11-009-51-292 by Aug. 17.

CANNED FRUITS—12,250 dozen No. 2 3/4 cans each of apricots, Royal Anne cherries, fruit cocktail, peaches, and pineapple. Bids due in Chicago under Bid No. QM-11-009-51-237 by Aug. 18.

CORNED BEEF—194,688 pounds in 6-oz. cans. Bids due in Chicago under Bid No. QM-11-009-51-256 by Aug. 18.

PORK AND GRAVY—918,000 pounds in 30-oz. cans. Bids due in Chicago under Bid No. QM-11-009-51-258 by Aug. 18.

LUNCHEON MEAT—923,220 pounds in 6-oz. cans. Bids due in Chicago under Bid No. QM-11-009-51-264 by Aug. 18.

CANNED VEGETABLES—12,500 dozen No. 2 cans each of peas, lima beans and green and wax beans, and 24,500 dozen 12-oz. cans of corn. Bids due in Chicago under Bid No. QM-11-009-51-258 by Aug. 25.

PEAS—131,546 dozen No. 10, 499,668 dozen No. 2, or 963,352 dozen 303 cans. Fancy preferred and Extra Standard acceptable. Bids due in Chicago under Bid No. QM-11-009-51-305 by Aug. 25.

CATSUP—14,200 dozen 14-oz. bottles. Bids due in Chicago under Bid No. QM-11-009-51-303 by Aug. 30.

SPINACH—43,810 dozen No. 10 cans or 158,968 dozen No. 2 3/4 cans, f.o.b. origin. Bids due in Chicago under Bid No. QM-11-009-51-261 by Sept. 7.

The Veterans Administration has invited sealed bids to furnish the following:

BUTTER AND BEET PUREE—13,200 dozen No. 10 cans of beets and 8,500 dozen No. 2 cans of puree. Bids due under Invitation No. S-41 by Aug. 25.

PEAS—6,500 dozen No. 2 cans in water-pack and 11,000 dozen No. 10 cans in heavy syrup. Bids due under Invitation No. S-42 by Aug. 25.

LIMA BEANS—14,000 dozen No. 10 cans. Bids due under Invitation No. S-43 by Aug. 29.

The Federal Supply Service has invited sealed bids to furnish the following:

Canned Item	Quantity (cases)	Bid No.	Bid Opening (date)
Apple butter, 6/10	540	1D-91734	8-25
Corn, 24/2	50	1D-91734	8-25
Clams, No. 1 can	30	1D-91732	8-25
Corned beef, 6-oz.	800	1D-91731	8-25
Catsup, 6/10	350	1D-91631	8-21

Revised QMC Requirements

(Concluded from page 247)

The Chicago QMPO has authorized announcement that invitations for bids for 30,000,000 C-7 rations will be mailed next week. The invitations will call for delivery at the rate of 5,000,000 rations a month beginning in November. The fruit components of the rations will be in 211 x 304 can sizes.

TRAFFIC

Railroads Plan Three-Point Program To Improve Service

More new freight cars, rapid repair of serviceable cars, and more efficient utilization of rail facilities are planned by the nation's railroads as features of a program "to provide adequate transportation service."

As an immediate target, the railroads will program repair of equipment so as to make as many cars as possible available for the peak loading in October, according to the Association of American Railroads, which announces the railroads' freight car plans.

The railroads individually will place orders for freight cars aimed not only at providing a satisfactory supply on each line but also for the purpose of increasing the national supply at the earliest practicable time.

Recognizing that on the average freight cars are in possession of shippers and receivers for loading and unloading about 50 percent of the time, the railroads appeal to the shipping public for assistance in getting the most efficient utilization of the available freight car fleet. Shippers are urged by the AAR to:

- Load and unload promptly.
- Furnish billing promptly.
- Load cars as heavily as practicable based upon commercial necessities.
- Completely unload cars so that they may be available for reloading without delay and expense incident to switching to railroad cleaning tracks.
- Assist in securing observance of Car Service Rules by loading cars to, via or in the direction of the owners. Observance of these rules eliminates wasteful mileage and assures owners of proportionate usage of cars they have purchased.

Need for Cost Accounting

(Concluded from page 247)

ment policies with respect to price control.

Consequently, it might be reasonable to assume that price controls, if instituted in the near future, might reflect some of the policies as they were operating near the end of OPA's existence. Every canner must, therefore, appreciate the importance of having complete and accurate cost accounting figures as well as information relating to sales, prices, etc.

TECHNOLOGY

Canners Technicians Schools

Two schools for training technicians for canners of tomato products were held this year as usual. A total of 112 students received training in the official Howard mold count.

The first school was conducted by the Indiana Canners Association with the assistance of the Indiana Agricultural Experiment Station at Purdue University, July 12-21. Seventy technicians attended.

The second school was conducted by the Association of New York State Canners, Inc., with the help of the New York Agricultural Experiment Station at Geneva, July 26-August 4. Forty-two students attended the classes.

Instruction at both schools was given by representatives of the Washington Research Laboratory of the N.C.A. and the research laboratories of the American Can Co. and the Continental Can Co.

STANDARDS

FDA Standards for Ice Cream

Notice is given in the *Federal Register* of August 8 that the Federal Security Administrator will hold further hearings, beginning November 13, for the purpose of taking additional evidence for use in the formulation of definitions and standards of identity for ice cream, frozen custard, sherbet, water ices, and related foods.

This announcement is noted for the attention of canners because canned fruits are listed as optional ingredients of some of these products.

State Fruit Juice Standards

Attention has recently been called to the fact that state food and drug officials in New Hampshire, Massachusetts, Maine and Connecticut have held a public hearing for the purpose of establishing standards of identity and quality for all uncarbonated fruit beverages. This hearing was held in Connecticut on July 25, and August 31 has been set as the deadline for the filing of briefs in opposition to the standards presently proposed.

The proposed standards which have been tentatively agreed upon by the officials of these four states, together

with a copy of the proposed general labeling provisions, were mailed by the N.C.A. this week to all fruit juice packers. The products proposed to be standardized include fruit juice, concentrated fruit juice, fruit concentrates, fruit ades, fruit drinks, fruit nectars, and imitation fruit drinks.

If particular items in the proposed standards are considered objectionable, the Association would like to be informed. Comments by canners should include statements of the items in the proposed standards considered objectionable by the individual canner, a brief statement of the reasons why the requirement is objected to, and an indication of the degree to which such New England standards would affect present manufacturing or labeling practices.

Additional copies of the proposed standards are available upon request to the Association.

Grades for Canned Lima Beans

Notice is given in the *Federal Register* of August 5 that the Production and Marketing Administration is considering the revision of U. S. standards for grades of canned lima beans. The proposed revision is reproduced in that issue.

Forthcoming Meetings

- September 21-23—U. S. Wholesale Grocers Association, Inc., Fall Meeting, The Greenbrier, White Sulphur Springs, W. Va.
- September 27-29—Texas Canners Association, Annual Convention, Ancira Hotel, Monterrey, Mexico
- October 19-21—Florida Canners Association, 19th Annual Meeting, Palm Beach Biltmore Hotel, Palm Beach
- November 16—Ozark Canners Association, Fall Meeting, Ward Hotel, Fort Smith, Ark.
- November 13-14—Wisconsin Canners Association, 44th Annual Convention, Schroeder Hotel, Milwaukee
- November 13-15—Grocery Manufacturers of America, Inc., Annual Meeting, Waldorf-Astoria Hotel, New York City
- November 16-17—Indiana Canners Association, Annual Convention, Claypool Hotel, Indianapolis
- November 20-21—Michigan Canners Association, Fall Meeting, Pantlind Hotel, Grand Rapids
- November 20-21—Pennsylvania Canners Association, 36th Annual Meeting, Penn Harris Hotel, Harrisburg
- November 20-21—Iowa-Nebraska Canners Association, Annual Convention, Hotel Savery, Des Moines
- December 5-6—Tri-State Packers Association, Annual Convention, Haddon Hall, Atlantic City, N. J.
- December 7-8—Association of New York State Canners, Inc., Annual Meeting, Hotel Statler, Buffalo
- December 12—Minnesota Canners Association, 44th Annual Meeting, Hotel Radisson, Minneapolis
- December 12-13—Ohio Canners Association, Annual Convention, Deshler-Wallick Hotel, Columbus

SUPPLIES

CCC Purchase of Cuban Sugar

Purchase of 600,000 short tons of Cuban sugar at a price of 5.38 cents a pound, f.a.s. Cuban ports, has been announced by the U. S. Department of Agriculture. "The purchase insures the supplying of all of the sugar needs of the United States for the present year," according to a USDA announcement. The purchase will be made by the Commodity Credit Corporation.

FOREIGN TRADE

Cuban Pineapple Production

The Cuban pineapple industry continued to decline during the first half of 1950 and demand from the United States for Cuban canned pineapple has declined even more than it did last year, according to the August 7 issue of *Foreign Commerce Weekly*, published by the U. S. Department of Commerce.

Exports of Cuban canned pineapple in the first half of 1950 totaled 105,155 cases, valued at about \$1,700,000, as compared with 387,307 cases during the same period of 1949. Four-fifths of the first-half 1950 production was crushed pineapple packed in No. 10 cans.

Exports of fresh pineapple amounted to 55,000,000 pounds, only 64 percent of exports in the first half of 1949. An unprecedented quantity—nearly 13,000,000 pounds—was in bulk for processing into juice and other products. The U. S. received 9,400,000 pounds and Canada 3,500,000 pounds.

Export Trade Requirements

Import and export licensing and exchange control requirements in European countries and certain areas of Africa are summarized in a new publication issued by the Office of International Trade, U. S. Department of Commerce. Copies of the booklet, "Summary of Licensing and Exchange Control Requirements of European Countries and Certain African Areas and Status of Private Trading with United States," are available for 50 cents each from the Government Printing Office, Washington, D. C., or from Commerce Department field offices.

INSECTICIDES

Food and Drug Pesticide Tolerance Hearings

Following is a summary, prepared by Association Counsel and staff, of the proceedings at the FDA hearing on insecticide tolerances from July 31 through August 3, 1950.

The present concern of the Food and Drug Administration Insecticide Tolerance Hearing continues to be toxicity. The question is how much, if any, of insecticide residue on fruits and vegetables can be ingested by humans without health impairment. The insecticides under consideration during the week of July 31-August 3 were methoxychlor, EPN, the dithiocarbamates, octamethyl pyrophosphoramide, dithane, TDE, the dinitro compounds, SR-406, piperonyl butoxide, 24-D, 2-4-5T, naphthalene acetic acid, aramite, phygon, and spergon.

The first methoxychlor data were contributed by Dr. E. F. Knipling of the USDA. He said that even excessive sprays of methoxychlor cause no adverse effects on livestock and that it is not readily stored in their fat. Dr. H. C. Hodge, professor of pharmacology and toxicology at the University of Rochester outlined the results of animal feeding toxicity tests conducted on methoxychlor and EPN. Rats fed diets containing .16 percent methoxychlor showed growth retardation but no other definitely adverse effects. No toxic effects have been observed in dogs fed 300 mg/kg/day for a year. Dr. O. G. Fitzhugh of the FDA reported similar results in tests conducted by that agency. He stated that a daily intake of 10 mg of methoxychlor would be safe for human consumption.

Dr. Hodge also described acute toxicity tests which have been completed and chronic tests now in process on the miticide, EPN. The acute tests which were conducted upon rats, guinea pigs, mice and rabbits revealed it to be considerably less toxic than parathion. The unfinished comparative chronic tests on dogs show that 450 ppm of EPN are almost identical in effect to 50 ppm of parathion. They also show that there are susceptibility variations among species and between sexes. Dr. J. P. Frawley of the FDA said that incomplete tests now being run by them show similar results in that the two insecticides have almost the same physiological and pharmacological properties although the EPN is 2 to 5 times less toxic than parathion. Based upon available data, he thought that a human consumption level of 4 mg per day would be safe.

Dr. B. J. Vos, of the FDA, testified on dithiocarbamic acid derivatives and tetramethyl thiuram disulfide. He had little data and so gave only a general

discussion of nabam, zineb, ferbam and ziram. He stated that in his opinion there isn't as yet sufficient data to predict safe levels of consumption for them.

Concerning tetramethyl thiuram disulfide, he said that sub-acute tests on rats at dietary levels of 2000 ppm show it to cause some growth retardation and increased mortality rates but only minor and inconsistent tissue changes. It has a low or undetectable anti-thyroid activity when fed at a rate of 61 mg/kg/day. Using a safety factor of 20 to 40, a safe level for human consumption would be 5 to 10 ppm.

Dr. J. A. Zapp, assistant director of Haskell Laboratory, described toxicity studies of ferbam, ziram, zineb and nabam which have been conducted at the laboratory. Ferbam was found to have a quite low acute toxicity; ziram is somewhat more toxic. Because nabam is not applied to crops as such but is converted in the field to zineb, acute oral toxicity tests were not run on it. The toxicity of zineb was found to be quantitatively similar to that of ferbam. He also stated that although high dietary levels of nabam and of ethylene thiourea might cause thyroid hyperplasia, zineb does not appear to do so in short term studies.

The next witness was Dr. W. E. Ripper of Pest Control, Ltd., of Cambridge, England, who testified concerning octamethyl pyrophosphoramide or OMPA. Because his was the first testimony of any kind on OMPA, it included necessity for use as well as toxicity information. He stated OMPA has been proved to be an efficient aphicide and miticide and is found to solve hitherto impossible tasks of pest control because of its systemic action. OMPA is translocated within the plant, and after a time is enzymatically broken down in the plant into harmless substances.

OMPA may be applied as a spray, aerosol, seed treatment, or soil application. It is taken up into the plant juices and translocated to a limited extent becoming after a period of absorption and translocation inaccessible to any but sap feeders, and thus reducing evaporation or contamination of persons handling the sprayed material. If OMPA is sprayed on a growing strawberry plant, for example, its toxic effect will be established in 2 to 4 days. This insecticide has only a weak contact action which is not sufficient to affect plant-eating insects, pollinators, predators and parasitic insects.

As a systemic insecticide it provides protection to plant material not present at the time of spraying. The translocation renders it no longer necessary to effect a complete cover and thus simplifies spraying techniques.

In some instances where OMPA has been used, a marked stimulation of the plant growth has been observed, over and above that indicated by the control of the pests. Dr. Ripper stated that since OMPA disappears in the growing plant, the health risk to the consumer would seem negligible, provided the recommended interval of 6 weeks between spraying and harvesting is observed.

Extensive trials with rabbits and guinea pigs were carried out for prolonged periods with OMPA sprayed plant material, in which no ill effects of any kind were observed. Such OMPA as is taken up by the body is largely decomposed in the liver. It may be acted upon by the liver to produce compounds affecting the cholinesterase system, but not always adversely.

The toxic symptoms are similar to those caused by other organic phosphoric compounds with cholinergic action. The witness suggested that the tolerance be set at 2.5 ppm, the same that he thought was suggested for parathion, since OMPA is, at worst, no more toxic than parathion.

OMPA is being distributed experimentally in the United States by Dow Chemical Company.

Dr. J. A. Frawley of the FDA said that running toxicity tests on OMPA show it to be similar in effect to parathion. He expressed concern over the possibility that the residue resulting from translocation and the consequent plant metabolism may be more toxic than the original material. He refused to recommend safe levels of consumption until more data on the effect of this plant metabolism are available.

Dr. H. B. Haag, dean of medicine of The Medical College of Virginia, in Richmond, testified as to the toxicity of Dithane D-14 (disodium ethylene bis-dithiocarbamate) and Dithane Z-78 (zinc ethylene bis-dithiocarbamate). Acute tests on rats showed Dithane Z-78 to be less than one-tenth as toxic as Dithane D-14 and, in fact, to be practically nontoxic from an acute standpoint. Because Dithane D-14 is converted into Dithane Z-78 prior to its use in the field, no chronic tests were run on it. Chronic tests now in progress on Dithane Z-78 show that dietary levels as high as 10,000 ppm have no adverse effects on the survival of rats although there is some growth retardation. Dithane Z-78 has less than one-tenth the possible goitrogenic activity of Dithane D-14 and dietary levels of 10,000 ppm or more are required to produce definite pathology of the thyroid glands. Dr. Haag

concluded by saying that using a safety factor of 10 and assuming that Dithane Z-78 would appear in no more than half the diet, a tolerance level of 20 ppm would be safe for human consumption.

TDE, also known as DDD and Rothane, was the next insecticide discussed. Dr. E. F. Knipping of the USDA said no evidence of toxic effects due to TDE have been noted in livestock sprayed with it. There is evidence that it is stored in fat. Dr. Fitzhugh of the FDA said that their tests show TDE to be less than half as toxic as DDT and estimated that a daily intake of 5 mg would be safe for humans. Dr. Haag returned to give a literature survey and to describe comparative toxicity tests on DDT and Rothane conducted at The Medical College of Virginia. He said that Rothane is less than one-fourth as toxic as DDT although it seems to have some specificity for dogs in its effect upon their adrenal cortex. When administered orally to the dog, neither Rothane nor DDT are excreted as such in the urine but as their acid end-product, DDA (2,2-bis-(p-chlorophenyl)) acetic acid. Both Rothane and DDT are transported across the placental barrier in the dog. Based upon the above data and other findings and using a safety factor of 100 fold, Dr. Haag estimated that man could safely ingest daily 10 ppm of Rothane. Assuming it would appear in only half the diet, this would mean a tolerance of 20 ppm would be safe.

Testimony on the dinitro compounds was begun by Dr. Haag, who said that acute toxicity tests on karathane (dinitrocapryl phenyl crotonate) administered orally and percutaneously show its toxicity to be low. It is about 5 times more toxic in the emulsion form than when used as a wettable powder. E. C. Hagan of the FDA said that dinitrophenol toxicity tests now under way show the material to be poisonous. He expressed particular concern over the possibility that the dinitros are metabolic stimulants to man and fertile factors in causing cataracts. Dr. H. C. Spencer of the Dow Chemical Company reported tests of their dinitro products DN-Dry Mix No. 1 (2-cyclohexyl-4, 6-dinitrophenol) RDNOCHP and a salt of this product DN-111 which showed that they do not have the cataract-causing qualities of other dinitro compounds. He said there was no evidence that they were metabolic stimulants. He agreed that 2-sec. butyl-4, 6-dinitrophenol or DNOSBP would cause a rise in body temperature and cataract formation but only when used in acute oral doses. He estimated that residue tolerances of 25 ppm would be safe for ONOCHP and the salt and 8 ppm for DNOSBP and its salt.

Testimony was then presented on SR-406. Dr. B. J. Vos of the FDA

said they have very little data on the toxicity of SR-406. Dr. Norton Nelson, associate professor of industrial toxicology at New York University, said that their incomplete tests on SR-406 show it to be only slightly toxic. It is more toxic when administered intraperitoneally than orally; high concentrations can cause skin and eye irritation.

Dr. M. P. Sarles, a toxicologist with U. S. Industrial Chemicals, Inc., introduced brief toxicity evidence on piperonyl butoxide, piperonyl cyclopentene and compound 469. All three materials, he stated, have a very low toxicity.

Dr. Bernard Davidow of the FDA said that preliminary tests are being conducted by them on 2-4-D (2,4-dichlorophenoxyacetic acid). So far, the data show it to be only moderately toxic. Other tests are under way on 2-4,5-trichlorophenoxyacetic acid and naphthalene acetic acid and both compounds appear to have about the same degree of toxicity as 2-4-D. Dr. Davidow said he knew of no tests or literature reports on p-chlorophenoxyacetic acid and that until proved otherwise it should be considered as toxic as 2-4-D. He suggested that a daily intake of 5 mg for all four compounds would be a safe consumption level. V. K. Rowe of the Dow Chemical

Company said they have been and are conducting tests on all four materials. Their results are similar to those reported by Dr. Davidow. All the materials are only moderately toxic. Mr. Rowe concluded that tolerances double those suggested by Dr. Davidow would be safe.

Two other Dow Chemical products discussed were Neotran (bis-parachlorophenoxy methane) and an experimental compound, K-6451. Neotran fed to rats at dietary levels as high as 1,000 ppm for 22 months has not caused any adverse effects. K-6451 has shown some liver and kidney damage when fed at similar levels.

The last three materials considered were aramite, spergon and phygon. The FDA, through E. C. Hagan, indicated that the data on aramite is very limited. Dr. B. L. Oser, testifying for U. S. Rubber Company, said he is at present conducting toxicity tests on both aramite and phygon and that based on data accumulated to date, a tolerance level of 150 ppm would not be harmful to man. Dr. T. H. McGavack, director of the New York Medical College, stated that acute and chronic studies on spergon proved it to have a very low degree of toxicity. He estimated that a tolerance of over 600 ppm would be safe for human consumption.

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